

Message Text

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73

ACTION ARA-20

INFO OCT-01 ADP-00 EB-11 COME-00 SCEM-02 INT-08 OPIC-12

CIEP-02 OMB-01 TRSE-00 CIAE-00 INR-10 NSAE-00 RSC-01

L-03 PA-03 PRS-01 USIA-15 SS-15 NSC-10 RSR-01 /116 W

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R 032020Z AUG 73

FM AMEMBASSY TEGUCIGALPA

TO SECSTATE WASHDC 4918

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

LIMITED OFFICIAL USE TEGUCIGALPA 2888

E.O. 11652: N/A

TAGS: BDIS HO

SUBJ: PETROLEUM PRICE ISSUE: NEWSPAPER TREATMENT

REF: TEGUCIGALPA 2816; STATE 150191

1. SUMMARY: TWO ARTICLES HAVE APPEARED THIS WEEK
(SUBSEQUENT TO TEXACO MANAGER MCDONALD'S VISIT WITH
MINECON BENNATON ON 7/27) IN THE LOCAL PRESS CONCERNING
THE PETROLEUM PRICE ISSUE.

2. ATTRIBUTING ITS INFORMATION TO "A HIGH GOVERNMENT
OFFICIAL," LA PRENSA ON AUGUST 1 PRINTED AN ARTICLE
HEADLINED "PRICE OF PETROLEUM INCREASES IN INTERNATIONAL
MARKETS - MINISTER OF ECONOMY ANALYZES REPERCUSSIONS
FOR HONDURAS." THE ARTICLE EXPLAINS THAT THE PRICE OF
CRUDE HAS INCREASED FOR VARIOUS REASONS: THE DOLLAR
"CRISIES," INCREASE OF TAXES ON PETROLEUM IN VENEZUELA,
POLICIES OF PETROLEUM PRODUCING NATIONS (OPEC). IN 1970,
SAYS THE ARTICLE, THE TEXACO REFINERY COULD BUY A BARREL
OF CRUDE FOR 4.54 LEMPIRAS; NOW THE PRICE IS 7.88 LEMPIRAS,
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WILL SOON BE 8.98 LEMPIRAS AND WILL GO UP EVEN HIGHER.

THE ACCOUNT CONCLUDES BY STATING THAT THE GOH IS STUDYING THE MATTER AND HAS HAD SEVERAL WORKING SESSIONS WITH REPRESENTATIVES OF THE PETROLEUM INDUSTRY HERE.

3. ON AUG. 3 EL CRONISTA PRINTED AN ARTICLE HEADLINED "THE PETROLEUM REFINERY THREATENS TO CEASE OPERATIONS IN AUGUST." THE ARTICLE STATES THAT IN SPITE OF THE REPEATED DECLARATIONS OF THE GOH NOT TO PERMIT AN INCREASE IN THE PRICE OF GASOLINE, A CROSSING OF THE WAYS HAS ARISEN WITH THE REFINERY, WHICH CLAIMS TO HAVE LOST MONEY OVER THE LAST FEW MONTHS (I.E., 600,000 LEMPIRAS). THE ARTICLE SAYS THAT REFINERY PERSONNEL AND TECHNICIANS OF THE MINECON HAVE HAD CONVERSATIONS AND THAT THE REFINERY HAS GIVEN THE GOH UNTIL AUGUST 13 TO PERMIT PRICE INCREASES OR IT WILL CEASE OPERATIONS. THE REFINERY HAS EXPLAINED TO THE GOH THAT IT MUST PAY WORLD PRICES FOR THE CRUDE IT IMPORTS AND THEREFORE THE LOCAL SALES PRICE MUST BE INCREASED.

4. COMMENT: LA PRENSA'S ARTICLE WAS NO DOUBT AN ATTEMPT BY THE GOH TO BEGIN PREPARING THE PUBLIC FOR AN EVENTUAL INCREASE. EL CRONISTA'S HANDLING OF THE SUBJECT, HOWEVER, WAS TYPICALLY UNBALANCED AND MAY ONLY SERVE TO HELP "PAINT THE GOH INTO A CORNER."
SANCHEZ

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